

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SOUTHERN DIVISION

SOUTHERN REGION MISCELLANEOUS SERIES—ITEM 1

## THE SOUTH'S FARM TENANCY PROBLEM

Address by C. A. Cobb, Director, Southern Division, Agricultural Adjustment Administration, before the Conference of Rural Ministers, State College, Mississippi, June 26, 1936

I do not believe it is necessary to tell you that spiritual values, your chief concern, and economic questions are closely related. You men and women realize it more clearly perhaps than any other group. You have seen the effect of poverty upon wide areas; wide areas with fertile soil and great natural advantages. You have seen its effect translated into terms of shiftlessness, ignorance, and disease. You know that poverty has been an impelling factor in the degeneracy of many rural areas into rural slums. It is significant, I think, that a number of the outlaws who became notorious in the late 1920's and the early 1930's came from those country districts in the United States which had been poverty-ridden for years. Few individuals and few sections have the strength or the character to endure poverty over a long period without sinking downward.

As I have indicated, this poverty has translated itself into conditions that are not only difficult to live with but are difficult to remedy. The most pressing social problem we here in the rural South have to contend with arises out of tenancy, and tenancy traces back to slavery, reconstruction, the ups and downs of cotton, the lack of opportunity, to the niggardliness of agricultural income. How could any one expect this section to become a section of family-sized farms, family-owned, in view of the disadvantages under which agriculture has labored since the Civil War and since the World War?

A tariff policy which discriminated against southern agriculture, and agriculture in general, has been an increasing handicap for more than a century. Then there were high freight rates, costly and unsatisfactory credit and marketing facilities that showed scant concern for the producer. Even so the cotton grower might have adjusted himself to all this had it not been for the devastating fluctuations in income. The price of cotton has risen and fallen with the seasons like a ship in a stormy sea. On August 1, 1919, the price of middling cotton at New Orleans was 38.21 cents a pound. It had dropped to 16.55 cents a pound by August 1, 1920. I could cite a long series of similar examples—some of them so recent that the memory is still painful—but it is not necessary. You remember them yourselves. Many of these low-price crops cost as much or more to produce than the crops for which the farmer got a fair price. Any cotton farmer who has bought and paid for a farm in the years which have followed 1919 has been extraordinarily fortunate or extraordinarily able.



Countless tenants who purchased land following seasons when the price of cotton enabled them to make a little money, lost what they invested in subsequent seasons of low prices. One or two bad years wiped them out. They lost heart and resigned themselves to remaining renters or sharecroppers. At the same time, many men who bought and paid for land or who inherited it have seen it foreclosed or have had it taken from them for nonpayment of taxes.

Perhaps some of you read the summary of the recent report on payments to \$10,000 producers under the A. A. A. programs. One interesting bit of information contained in it was that 3,772 multiple farm owners, or owners of a number of farms, such as banks and insurance companies, owned 107,579 farms eligible for participation in the corn-hog programs. It should be pointed out that this does not mean that these multiple-farm owners deliberately set out to acquire these farms as a corporation might set out to acquire other units in the same business. It simply means that in the majority of instances the insurance company, the bank, or other mortgage holder had to foreclose. I know of my own personal knowledge that many investment institutions took over mortgaged farms reluctantly, partly because of humanitarian motives but principally because they dreaded trying to operate those farms themselves. They felt that they had to foreclose to protect what still remained of their investment. Yet they at the same time realized that if they tried to farm the land they probably stood to lose still more. Tragically enough, the ownership of land was rapidly coming to be a liability at the time the adjustment programs of the Agricultural Adjustment Administration went into operation.

Regardless of the multiplicity of reasons for the concentration of land ownership, the result was increased tenancy. And the time has come when we must study the problem which has thus been created and find practical means to meet it. We cannot go on as we have been going. Of that I am convinced.

I do not believe our system of government can endure unless it rests upon a foundation of a stable, landowning farm population. Along with the spread of tenancy has come shiftlessness and restlessness. How can we expect men to find satisfaction in a system that affords so little security? I know and you know that many individuals refuse to take advantage of their opportunities. But they are in the minority and we cannot evade our responsibility by assuming that an inherent inferiority has made our tenant class. You and I know that is not true. Some of the sturdiest and best stock in this country can be found among the tenant class. If we give them opportunity, they will take advantage of it.

The conservation of our soil is imperative. As a nation we were slow to realize it but that realization has come, I believe. The conservation of human resources, however, is far more imperative. It is not a question of what must be done but how it must be done.

We must understand the primary reasons for the continuance and growth of tenancy, however, before we can formulate any plan that will make any appreciable change in existing conditions. A dense farm population and a low agricultural income have combined to perpetuate a system that the South itself has tried to discard for years. Eleven million people are living on farms in the nine States



included in the Southern Region. This means that approximately 34 percent of the total farm population of the United States is located in these nine States; however, only 22 percent of the United States farm income goes to those States.

No wonder that so many of our people are landless and that so much of our soil is depleted.

One thing is fundamental if we are to solve the tenant problem. There must be an adequate and stable farm income. Tenants cannot purchase and pay for land, whether from the Government or a private agency, without this adequate and stable income. Not only that but neither tenants nor landowners can live in security on the land without it. They can exist and that is just what most have been doing for the last 15 or 16 years.

There are approximately 2,000,000 cotton farmers. In 1919 the cash income from the cotton crop; the cash income, mind you, without deducting the cost of making the crop, was a little more than \$2,000,000,000, or about \$1,000 for each family engaged in cultivating cotton.

There are about five persons in the average family on a cotton farm. One thousand dollars is nothing to boast about even though the living costs of the farm family are lower than those of the average city dweller. Let us keep in mind, however, that the cash income from cotton in 1919 was the highest that it has been in the past half century. The income per family will run less than an average of \$500 annually, and in 1932 the return from the cotton crop was \$464,121,000 or about \$232 for the privilege of supplying the world with a superabundance of cheap cotton. Small wonder that the South was prostrate at the end of 1932.

I have been impatient at times with those persons who make the A. A. A. a target for attack. I can understand the feelings of the processor groups. Their profits have been reduced in some cases. But frankly, I cannot grasp the reasoning of those persons who insist that A. A. A. has aggravated the tenant problem, and made the lot of the sharecropper worse than it was. In 1932 it took  $2\frac{1}{3}$  bales of cotton to bring what 1 brought last year. The figures on farm foreclosures show a decline since the adjustment programs began operation. This reversal in trend has prevented many a home from being sold under the hammer. You know and I know that many men who are landowners today would be tenants if it had not been for the A. A. A.

Moreover, studies from impartial sources show that displacement because of A. A. A. programs has been negligible. Let me quote you a paragraph from an analysis of the cotton program published this year by the Brookings Institution, an outstanding research agency which has no connection with any Federal agency:

"The available evidence does not substantiate the alarmist statements which have been widely circulated that a great number of tenants and croppers have been displaced or their tenure status reduced. While this evidence does not constitute conclusive proof, it does indicate that there has not been any appreciable displacement of tenants or reduction in their tenure status as a result of the A. A. A. cotton program."

Yet even if we concede that the displacement has been considerable, I do not see how anyone could seriously argue that the lot of the ten-



ant, by and large, has become worse. The income from cotton, including seed, rose from \$464,121,000 in 1932 to \$842,000,000 in 1935, an increase of over 80 percent. Is it reasonable to suppose that the average tenant got less from a cotton crop which yielded \$842,000,000 or the one before A. A. A. which returned \$464,121,000? I think common sense supplies the answer. Or is it reasonable to suppose that a landlord who deprived a tenant of his rightful share of benefit payments would have dealt with him on the basis of the most scrupulous honesty if there had been no program?

Nor do I think that any progress is being made toward the solution of the tenant problem through efforts to make it appear that A. A. A. is responsible for tenancy. The A. A. A. had its faults. Perhaps some of us close to it were slow to admit them, but it might have been that some of this very slowness was the instinctive reaction against unfair and sometimes unscrupulous attacks.

The only dispassionate studies I have seen refute charges that the A. A. A. has made the tenant's lot harder.

I have particularly in mind a survey by Mr. C. Horace Hamilton, Rural Sociologist, North Carolina Agricultural Experiment Station, at Raleigh. In his preliminary report on November 22, 1935, he says:

The conditions of croppers and renters in North Carolina have been substantially improved under the New Deal according to a survey of 1,703 rural families which was made by the Division of Rural Sociology, North Carolina Agricultural Experiment Station, with the assistance of the North Carolina Emergency Relief Administration.

Out of the 202 farm laborers in 1931 only 17 became croppers in 1932, and 4 became renters, and none became owners—making a total shift up the agricultural ladder of 21 in 1932 as compared with 43 in 1935. Furthermore, in 1932, 5 renters and 22 croppers dropped down into the farm laborer group as compared with 4 renters and 19 croppers in 1935. Between 1932 and 1935 the number of farm laborers decreased from 215 to 162; whereas, the number of croppers increased from 380 to 411; tenants, from 321 to 374; and owners, from 472 to 495.

Out of 380 croppers in 1931, 15 became renters and 1 became a farm owner in 1932, as compared with 18 and 4, respectively, in 1935.

Out of the 321 renters in 1931, 4 became owners in 1932 as compared with 8 in 1935.

Out of the 472 owners in 1931, 12 became renters or croppers as contrasted with 9 in 1935. Only 11 farmers shifted into the owner class in 1932 as compared with 21 in 1935.

In view of the fact that there has been some discussion of the effect of the A. A. A. program on renters, croppers, and laborers, it is felt that the above data are of considerable significance.

I have no ready-made formula for the attainment of that fundamental essential—an adequate and stabilized income for the southern farmer. I am reminded that John C. Calhoun pointed out a hundred years ago at a conference in South Carolina that our people could never hope to attain economic security as long as they were compelled to sell low and buy high. They have been doing that ever since but there have been signs within the past few years that this Government will turn away from a policy that has sapped our resources here at home and has killed a good deal of our foreign trade. If we do that, and if we in the South balance our production with demand, and diversify our crops, we will have taken a long stride toward a fair return for the cotton farmer.



I wonder that industrialists who practice production control as a matter of course can keep a straight face while they denounce production control for agriculture. We had the greatest carry-over of cotton on record in 1932; we had a huge carry-over of wheat; of corn; of almost every agricultural commodity. The bread lines were never longer, nor hunger more acute than at that time. It is a queer economy which dictates that the cotton farmer shall continue to produce huge, profitless crops after his market has been glutted. That is equivalent to telling him that he must impoverish himself, his soil, and the generations which follow after him.

A denial of agriculture's right to adjust its production to demand is a denial of agriculture's right to equality with other industry.

If our economic system were perfectly adjusted we would not need the help of government in solving agriculture's problems. But our economic system, as we all know, isn't perfectly adjusted. The farmer needs the aid of his Government to help him do the things he cannot do for himself without such aid. The railroads, factories, and other industries grew powerful, and rich through Government subsidy and Government protection. What were, or are, exorbitant tariffs but a heavy tax upon all consumers, farmers among them?

Agriculture is not asking for special privilege. It is asking only for the same consideration that has been extended to other groups. Farmers cannot adjust their production without the machinery of government to enable them to cooperate. We have seen that demonstrated through the test of experience. It may be possible also—and I am inclined to think that it is—that still further governmental aid is necessary before we will have made any appreciable progress toward the goal of home ownership among the tenants of the South, and other sections as well.

Most of you are familiar with the Bankhead-Jones tenant bill which was introduced in the last Congress. In brief, it would have set up a Government corporation which would acquire land and sell it to tenants at low interest rates and on long-time terms.

I approve the general principle of the proposal but I do so with reservations. The administration of such a measure must be sound. Every step should be measured and tested carefully until we are certain of our ground. I want to emphasize the principle that such a program must be self-liquidating. We must disabuse people of the idea that the Government owes them a living, whether they make any effort to earn it or not, or that the Government owes them a home. We human beings are inclined to be a bit dependent if we are allowed to be. All any Government program to end tenancy should do is to afford the able, ambitious and energetic an opportunity to become home owners, and an opportunity to remain home owners.

I have discussed the tenant problem without regard to race. I have done so intentionally. Of the approximately 1,500,000 tenants in the South, more than half are white. Any plan that would discriminate against one class of tenants would inevitably discriminate against the other class. Any plan that will help one class of tenants will help all classes. Any plan that will help tenants will help land-owners.

Government aid in a program to reduce tenancy and help the entire South is necessary and justified but it is not sufficient in itself.

Your help is imperative. Of course, that can be taken for granted, and so can the aid of other right thinking and sensible citizens of the South. Otherwise, we will get nowhere.

In some ways we have made more progress since 1933 than in any other similar period that I can remember—perhaps in any similar period in history. First and foremost, we have proved our ability to work together in a common program for the common good. That is why I am anxious for a common effort toward the solution of other pressing problems. We must make that effort if we are to consolidate the gains we have already made.





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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SOUTHERN DIVISION

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(Southern Region Miscellaneous Series)

## APPEALS

Procedure To Be Followed in Appeals Cases in Connection With the 1938 Agricultural Conservation Program Pursuant to the Provisions of Section XVI of Southern Region Bulletin 201

### I. MATTERS CONCERNING WHICH APPEALS MAY BE MADE BY PRODUCERS

- A. Eligibility to file an application for payment,
- B. Any soil-depleting acreage allotment or soil-building goal (appeals in connection with the determination of farm marketing quotas are entirely separate matters which will be handled by review committees in accordance with regulations issued by the Secretary of Agriculture),
- C. The division of payment, or
- D. Any other matter affecting the right to or the amount of his payment with respect to the farm.

### II. PROCEDURE TO BE FOLLOWED BY PRODUCERS

A. Any person who is dissatisfied with any recommendation or determination of the county committee in connection with the 1938 Agricultural Conservation Program with respect to any farm in which he has an interest as landlord, tenant, or sharecropper, may, within 15 days after notice thereof is mailed to him or, if notice thereof is not mailed to him, within 15 days after notice thereof is made available to him, request the county committee in writing to reconsider its recommendation or determination with respect to any of the matters indicated above.

B. The producer will be notified in writing of the final decision of the county committee which must be made within 15 days after the county committee receives the written request for reconsideration of its previous decision.

C. Any person who is dissatisfied with the final recommendation or determination of the county committee may, within 15 days after a copy of the final decision of the county committee is mailed to or made available to him, appeal in writing to the State committee to consider the decision of the county committee. Such appeal must contain or be accompanied by a written statement, in duplicate, containing such information as he may have available which he believes to be pertinent to the case. There shall be attached to such appeal a correct copy in duplicate of each work sheet or other form which is material to such appeal.

D. The producer will receive a copy of the decision of the State committee which must be made within 30 days after receipt by the State committee of his appeal.

E. In case the producer is dissatisfied with the decision of the State committee, he may request the Director of the Southern Division of the Agricultural Adjustment Administration to review the decision of the State committee by giving written notice, in duplicate, to the State committee within 15 days after the copy of the decision of the State committee is mailed to him. Such request must contain or be accompanied by the producer's statement with respect to the decision of the State committee.

F. If any producer filing an appeal in accordance with this procedure so requests at the time of filing such appeal, he may appear before the county committee or State committee and present his case in person.

G. Any new evidence presented in any case after the final decision of the county committee and prior to a decision by the Director of the Southern Division will necessitate the return of the appeal for reconsideration by the committee(s) which had previously rendered a decision thereon.

### III. BASIS FOR MAKING DECISIONS

A. All decisions in appeal cases by the county and State committees shall be in accordance with the terms and conditions of the 1938 Agricultural Conservation Program applicable in the southern region. If, in considering any question in an appeal case, it appears there are no regulations applicable to such question, no decision on such case shall be rendered until applicable regulations are approved.

### IV. PROCEDURE TO BE FOLLOWED BY THE COUNTY COMMITTEE

A. The county committee shall review any request of a producer filed in accordance with paragraph II-A above.

B. The county committee shall hold such hearings, keep records of such hearings, and make such investigations as are necessary for the proper reconsideration of its original recommendation or determination.

C. The county committee shall notify such producer in writing of its final decision within 15 days after receipt of such written request for reconsideration and send a copy of its decision to the State committee.

D. In case a producer appeals from the final decision of the county committee to the State committee, the county committee, when requested, shall furnish the State committee with its file in the case, and assist the State committee in holding such hearings and making such investigations as the State committee may consider necessary. The county committee will receive copies of all decisions of the State committee and the Director of the Southern Division pertaining to appeals originating from the county in which it serves and made in accordance with this procedure.



## V. PROCEDURE TO BE FOLLOWED BY THE STATE COMMITTEE

A. The State committee shall designate a competent person in the State office who shall—

1. Receive appeal cases,
2. Notify the county committee upon receipt of such cases and advise them whether the producer desires to appear in person before the State committee,
3. Request the county committee for its file in the case,
4. Examine the appeal record and take steps to complete the record when found to be incomplete in any respect,
5. Prepare a report and present the case in detail to the State committee, and
6. Be prepared to answer any questions relative to the appeal.

B. The State committee shall hold such hearings, keep records of such hearings, and make such investigations as are necessary and shall decide each appeal within 30 days after receipt thereof in the State office. The decision of the State committee shall be prepared in quadruplicate. One copy of such decision shall be promptly transmitted to the county committee, one copy to the producer, and two copies shall be filed in the State office.

C. Upon written request from a producer that a decision of the State committee be referred to the Director of the Southern Division for review, in accordance with paragraph II-E above, the State committee shall immediately forward the complete original appeal record to said Director, together with a copy of its decision and a transcript of the record of the hearing(s) in such case and the producer's written request and statements.

D. Upon receipt of a decision from the Director of the Southern Division in triplicate, the State committee shall promptly transmit one copy to the producer, one copy to the respective county committee and keep one copy for its files.

## VI. PROCEDURE TO BE FOLLOWED BY THE DIRECTOR OF THE SOUTHERN DIVISION

A. Upon receipt of the docket containing the appeal record from the State committee in accordance with paragraph V-C above, the Director of the Southern Division will review the case after referring it to a regional appeals committee, to be composed of three persons from the Southern Division of the Agricultural Adjustment Administration, for its recommendation with respect to the case.

B. The decision of the Director of the Southern Division will be prepared in quadruplicate and three copies will be promptly transmitted to the State committee.

*J. W. Ruggan*

*Director, Southern Division,  
Agricultural Adjustment Administration.*





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UNITED STATES DEPARTMENT OF AGRICULTURE  
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SOUTHERN DIVISION

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A PROGRAM FOR COTTON

Adapted from an address by I. W. DUGGAN, *Director, Southern Division, Agricultural Adjustment Administration*, before the annual meeting of the Texas Agricultural Workers' Association, Houston, Tex., January 15, 1938

National programs for agriculture are only a few years old. Farmers clung to rugged individualism long after its abandonment by industry and organized labor. Until the McNary-Haugen movement few farmers thought seriously of using Government to help ease the weight of huge crop surpluses, or to prevent their accumulation. Cotton, corn, and wheat growers accepted the alternate cycles of glut and scarcity as they did weather cycles. The Federal Farm Board had not come into existence 10 years ago. The cotton program, first of the programs developed under the original Agricultural Adjustment Act, was started only 5 years ago.

The South grew an 18,946,000-bale crop last year and the carry-over on August 1, 1938, will be around 13,300,000 bales—or slightly more than the record carry-over in 1932. The prospect for the next 2 years, and probably for a year or two beyond that, is for cotton prices well below parity. In many ways the cotton situation resembles that of 1932.

The return, however, of comparatively low prices and huge surpluses does not mean that the cotton programs have been a failure. The income to southern cotton growers is undoubtedly much higher than it would have been if no adjustment had been made between supply and demand. This year's huge cotton crop was raised on 34 million acres, or 10 million acres below the 44 million acres planted in 1929. But had there been no A. A. A. program in 1937, a cotton crop of 23 million or 24 million bales might have resulted. Four or five million bales added to the 1937 crop would have hammered prices still lower and would have made still more difficult the problem of adjusting our supply to normal proportions.

The farmers turned to Federal farm programs in self-defense. Production adjustment is not an end in itself. The ideal situation for the cotton growers, as for all other producers, would be unlimited production and a high price. Unfortunately, experience since the World War has shown that the two do not often go together. Production adjustment has resulted in many difficulties. Unlimited production would have resulted in many more difficulties.

It is urged by some that the South return to unlimited production of cotton. Such an attitude apparently does not take into consideration the factors which made the adjustment programs necessary in the first place. So long as the United States was a debtor nation there was little difficulty in selling cotton overseas. All the mechanism of



international trade geared itself to encourage the export of wheat, cotton, and lard, produced in this country.

However, the United States became a creditor nation during the World War, and yet refused to let other countries ship in their goods in payment of their debts. So long as this country loaned foreign nations the money to buy cotton and other goods, exports held up very well. Leaving war debts out of consideration, net foreign indebtedness to the United States increased from 4.5 billion dollars in 1920 to 9.6 billion dollars in 1930. When this Nation finally quit lending money abroad, overseas customers reduced their buying. Then, instead of lower tariffs, higher tariffs were adopted. The gate to overseas trade was not only closed but also nailed up. Such a course could have but one result. That was to curtail the market abroad for cotton and other farm products.

Cotton production can be increased until the staple is cheaper than in 1932. Cotton growers of the South can bankrupt themselves in an effort to regain their former foreign market, but that market will never be completely regained under the present tariff system.

Habitual production control in industry is so familiar that it is generally accepted without question. Not only does industry curtail production during slack periods but it discharges its workmen and assumes no responsibility or very little responsibility for their care. The farmers of the South in the year just past grew an abundant and cheap supply of cotton. Meanwhile, business dropped in the cotton textile industry. In other words, the textile industry did not continue to produce regardless of cost and profits. Its policy was summarized in a trade report of the New York Cotton Exchange:

Certain branches of the industry have planned to curtail sharply during the next 2 months. Manufacturers are hopeful that the reduction of output will restore margins to a profitable basis.

"But", critics of A. A. A. programs say, "let the farmers control production without Government aid. The Government does not assist manufacturers to control production."

Apparently, these critics forget the tariffs which shut out foreign competition for industry. They forget also that the Government allows the formation of corporations which extend all over the country. An order from a corporation official in New York or Chicago today may result tomorrow in the discharge of workmen and closing of plants in Houston, in Dallas, or in other sections of the country. Through tariffs and protection for corporations, the Government has done much more to aid production control in industry than it has in agriculture. Farmers likewise require the aid of the Government if they are to cooperate in national programs for adjustment of production or soil conservation. That fact has been demonstrated by the experiences of the past few years.

The so-called domestic allotment plan, which involves unlimited production and a subsidy so that cotton may be sold abroad cheaply, has been advocated as a substitute for production control. Cotton growers could use a Federal subsidy. Even a subsidy, however, would not offset the effects of the extremely low prices which would follow 40 million to 44 million acres of cotton every year. Year in and year out, such an acreage probably would average from 14 to 16 million bales of cotton, perhaps more. Average consumption of cotton is not likely to exceed 13 million bales. The carry-over of cotton would increase from year to year, and more money would be required from the Treasury each year to give the cotton farmers a



reasonable income. The inevitable result would be a break-down of the plan, leaving behind it bankruptcy and ruin for the South.

Proponents of the domestic allotment plan argue that farmers would quit growing cotton for export if prices declined to certain levels. In other words, they would depend upon the so-called natural law of economics to adjust cotton production. The South experienced the workings of that law before 1933. There was a disastrous year in 1930, another in 1931, and still another in 1932. The cotton surplus continued to accumulate and only the plow-up in 1933 prevented another huge crop. The natural law of economics failed to adjust supply to demand. It would fail again.

In examining the South's situation we cannot ignore the importance of our foreign market for cotton. The United States has exported more than 50 percent of its crop for a half a century. The only thing more important than the foreign market for cotton is a reasonable income for the cotton grower. Huge exports mean very little if they are accompanied by increasing poverty among the producers themselves. Attempts to retain foreign markets, to adjust cotton production to demand, and to conserve the soil are for the benefit of human beings. If farm programs do not help to raise the farm standard of living, they do not amount to much.

To raise that standard of living in the cotton-growing South, efforts cannot be concentrated on exports alone, on production alone, nor on soil conservation alone. Farmers must frankly face the major problems involved. Basically, in cotton, these problems are two. One is to achieve the largest possible income from the production of cotton; the other is to use, to the best advantage, all available land, labor, and other facilities which are not needed for the production of cotton.

Neither overproduction nor underproduction will solve these problems. Rigid production control might mean high prices for a short period, but the eventual result would be decreased domestic and foreign consumption, in addition to the hardships which accompany the sharp curtailment of cotton acreage.

There is a middle course for the cotton-growing South which involves producing a supply of cotton sufficient to meet requirements for domestic consumption and exports. It means producing that supply at prices fair to farmer and consumer. It means a better balanced system of farming for the South. It means more food and feed for home use. It means conserving and upbuilding the soil. And it means a Federal subsidy to compensate for the tariff and for the tremendous advantages enjoyed by corporate industry.

A middle course for cotton probably means the diversion each year of several million acres of land to food and feed and soil-building crops. More than 50 percent of the Nation's farm population live in the South. About  $8\frac{1}{2}$  acres of cultivated land per person on farms are available in the 10 principal cotton-growing States. Excluding Texas and Oklahoma, the average per person is only about 6 acres. The per capita average for the rest of the country is 15 acres. If it became necessary to take several million acres out of cotton each year, some cotton growers would inevitably be displaced. Such displacement would follow any substantial curtailment of operation in either industry or agriculture. Experience with the A. A. A. cotton programs has shown that surprisingly few tenants have been thrown out of work because of these programs. They have been paralleled by a business recovery throughout the South which has created employ-



ment for many thousands. In addition, most of the land taken out of cotton has been planted to other crops. One of the real contributions made by the A. A. A. programs has been the stimulus given to the increase of the production of food and feed in the South.

Yet the South cannot be expected indefinitely to support a dense population on a reduced income. The South cannot be converted into a perpetual poorhouse simply to keep every farm family now growing cotton on the land. In all probability, thousands upon thousands now on farms in the South must look to industry for permanent employment. This permanent employment, of course, cannot come until industry has greatly expanded its present operation. Higher standards of living, however, may not come until industry uses more of our abundant human resources existing on already overcrowded land.

Although there seems to be little prospect of attaining either parity income or parity price in cotton soon, farmers have the opportunity to move gradually toward a balanced supply of cotton and this probably means a gradual rise in price. The cotton surplus cannot be eliminated in 1 year. To bring about a supply of 17.5 million bales for the 1938-39 season, it would be necessary to produce only 5 million to 6 million bales. Even if farmers received parity prices for this amount of cotton, it would bring only from 410 million to 492 million dollars from the sale of lint. And a reduction of acreage sufficient to raise a crop of from 5 million to 6 million bales would disrupt the entire economic structure of the South.

On the other hand, another 18 million bale crop in 1938 probably would result in a cash income from cotton even lower than that in 1932, and would cause as much damage as a drastic curtailment of acreage.

Even if successful in following the logical middle course, farmers will need whatever help they can get from the Federal Government and will need to raise as much as possible of the food and feed they need. A crop of 10 million bales selling for 10 cents per pound, for example, would give an income from lint of only about 500 million dollars. For cotton producers to have the purchasing power they had in 1909-13 it would be necessary for the income from the 1938 crop to be around 1 billion dollars.

Statistics on pellagra in the South and on other diseases caused by deficiencies in diet have reemphasized the need for an increase in food and feed crops for home use. The Bureau of Home Economics estimates that a grade-A diet for southeastern sharecroppers would mean 40 percent more eggs, 60 percent more milk, and 25 percent more fruits and vegetables. The South consumes scarcely half as much milk per capita as other areas. If southern cotton farmers do not produce milk, lean meat, and eggs at home, they do without them in most cases. The cotton South will go into competition with dairy and livestock producers in other regions only if the income from cotton remains very low over a considerable period. Persons in other areas who want to restrict the use of acres diverted from cotton or other soil-depleting crops should keep that in mind.

The South does not want its farm program to be made the vehicle for sectional jealousy and fear. Any plan which promotes the permanent prosperity of the Corn Belt, the dairying regions, or other farming areas helps the South. Any plan which helps the South helps other areas. Above all things farmers need a national point of view; that is, they need to look at the whole instead of a minor part.



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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SOUTHERN DIVISION

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(Southern Region Miscellaneous Series)

**APPEAL PROCEDURE UNDER THE AGRICULTURAL CON-  
SERVATION PROGRAM, THE RANGE CONSERVATION PRO-  
GRAM, AND THE PRICE ADJUSTMENT PROGRAMS FOR  
1939**

**GENERAL PROVISIONS**

**SECTION 1. Who may appeal.**—An appeal may be taken by any person who has an interest as landlord, ranch operator, tenant, or sharecropper in a farm or ranch with respect to which one or more of the recommendations or determinations set forth in section 2 hereof are made.

**SEC. 2. Matters which may be appealed.**—An appeal may be taken from the recommendation or determination of the county committee with respect to any of the following:

- (a) Eligibility to file an application for payment.
- (b) Any soil-depleting acreage allotment, usual acreage, soil-building goal, restoration land goal, or grazing capacity.
- (c) The division of payment.
- (d) Any other matter affecting the right to, or the amount of, any payment with respect to the farm or ranch.

**SEC. 3. To whom appeal should be made.**—An appeal must be made in the first instance to the county committee. If the appellant is dissatisfied with the decision of the county committee, he may appeal to the State committee. If the appellant is dissatisfied with the decision of the State committee, he may request the Director of the Southern Division to review the decision of the State committee.

**SEC. 4. Time and manner of filing appeal.**—Appeals to the State and county committees and requests for review to the Director of the Southern Division must be in writing and must be signed by the person making the appeal or his authorized agent. Each appeal must contain or be accompanied by a written statement, in duplicate, containing such information as the appellant believes to be pertinent to the case. An appeal to the county committee must be filed with such committee within 15 days after notice of the recommendation or determination appealed from is mailed to, or made available to, the appellant. An appeal to the State committee must be filed with such committee within 15 days after the decision of the county committee from which the appeal is taken is mailed to, or made available to, the appellant. A request for review by the Director of the Southern Division must be filed with such Director within 15 days after the decision of the State committee from which the appeal is taken is mailed to, or made available to, the appellant.

**SEC. 5. Right of appellant to appear.**—Any person filing an appeal may appear in person or by representative before the county com-



mittee or the State committee at the time his appeal is considered, provided he so requests in writing at the time of filing his appeal.

**SEC. 6. New evidence.**—Any new evidence of a material nature presented by the appellant in any case after the decision of the county committee and prior to a decision by the Director of the Southern Division will necessitate the return of the appeal for reconsideration and decision (within corresponding time limits) by the committee(s) which had previously rendered a decision thereon.

**SEC. 7. Basis for making decisions.**—All appeals to the county or State committee and all requests for review to the Director of the Southern Division shall be decided in accordance with the applicable regulations and instructions.

### COUNTY COMMITTEE PROCEDURE

**SEC. 8. Date and place of hearing.**—The county committee shall fix a date and place for the consideration of each appeal filed with such committee, and where the appellant has requested the right to appear, shall give appellant at least 3 days' written notice of such date and place.

**SEC. 9. Hearing, investigations, and record.**—In connection with each appeal, the county committee shall hold the hearing at the time and place fixed and shall make such investigations as are necessary for a proper reconsideration of its original determination. Such committee shall prepare as complete a record of the proceeding as possible.

**SEC. 10. Copies of decision.**—Within 15 days after receipt of an appeal, the county committee shall mail to appellant and to the State committee a copy of its decision upon said appeal. Where an appeal is made to the State committee from such decision, the county committee, upon the request of the State committee, shall forward to that committee the record in the case and shall render such assistance in connection with the further proceedings in the case as the State committee may request.

### STATE COMMITTEE PROCEDURE

**SEC. 11. Designation and duties of appeals clerk.**—The State committee shall designate a competent person in the State office as appeals clerk to assist in the handling of appeal cases. The duties of such person shall be:

(a) To receive appeal cases and keep a complete record of the same.

(b) To fix a date and place for the consideration of each appeal, and where the appellant has requested the right to appear, to give such appellant and the applicable county committee at least 5 days' written notice of such date and place.

(c) To request the applicable county committee to furnish the record in each case and such other assistance in connection with the proceedings in the case as may be necessary.

(d) To prepare a report on each case and present the case in detail to the State committee at the time and place fixed for the hearing of the case.



(e) To mail a copy of the decision of the State committee to the appellant and to the applicable county committee within 30 days after the receipt of the appeal by the State committee.

(f) Where a request for review is made to the Director of the Southern Division from the decision of the State committee, to forward to such Director upon his request the complete original appeal record (including a transcript of the testimony, if any); and upon receipt of a decision, in triplicate, from the Director of the Southern Division, to mail one copy to the appellant and one copy to the applicable county committee and to file one copy in the State office.

#### **PROCEDURE BY DIRECTOR OF THE SOUTHERN DIVISION**

**SEC. 12. Regional appeals committee.**—Upon receipt of a request for review of a decision of the State committee, the Director of the Southern Division shall refer the case to a regional appeals committee (composed of three employees of the division) who shall:

(a) Review the entire case, making such investigations as are deemed necessary.

(b) Prepare a written report and recommendation and submit the same to the Director of the Southern Division.

**SEC. 13. Decision of Director of the Southern Division.**—Upon receipt of the report and recommendation of the regional appeals committee, the Director of the Southern Division shall review the case and make his decision thereon. He shall cause such decision to be prepared in quadruplicate and shall mail three copies thereof to the applicable State committee, and shall retain the fourth copy in the files of the Southern Division.

I. W. DUGGAN,  
*Director, Southern Division,*  
*Agricultural Adjustment Administration.*





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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SOUTHERN DIVISION

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**INSTRUCTIONS RELATING TO THE ELECTION OF COMMITTEEMEN, DELEGATES, AND OFFICERS, AND THE ORGANIZATION OF 1939 COUNTY AGRICULTURAL CONSERVATION ASSOCIATIONS**

**I. GENERAL**

1. **Purpose.**—The purpose of the 1939 County Agricultural Conservation Association, hereinafter referred to as the "1939 Association," as organized under the Articles of Association, Form ACP-71, and these instructions shall be to cooperate with the Secretary of Agriculture, the Agricultural Adjustment Administration, and other agencies of the Department of Agriculture in carrying out the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, the Agricultural Adjustment Act of 1938, the Federal Crop Insurance Act, the Sugar Act of 1937, and any amendments to such acts, and such other acts of Congress as the Secretary of Agriculture may designate. The association shall not engage in any other activity.

2. **Time of elections.**—Elections of community committeemen of the 1939 Association and of delegates to the county convention for the election of county committeemen of the 1939 Association are to be held in December 1938.

3. **Tenure of committeemen and officers.**—The present committeemen, officers, and board of directors of the 1938 County Agricultural Conservation Association, hereinafter referred to as the "1938 association," will continue through December 31, 1938, to perform all duties required of such committeemen, officers, and board of directors in connection with carrying out the provisions of all programs being administered under the acts cited above. Committeemen, delegates, and officers elected to serve in connection with the 1939 Association shall take office and assume their duties effective as of January 1, 1939, and shall serve until December 31, 1939, or until their respective successors have been elected and have qualified; except that the delegates to the county convention shall assume their duties immediately upon being elected and shall hold their county convention prior to January 1, 1939, for the purpose of electing the county committee of the 1939 Association.

4. **Organization.**—The plan of organization and operation of the 1939 Association is substantially the same as that of the 1938 Association. The new Articles of Association, as amended July 28, 1938, Form ACP-71, and these instructions shall supersede the Articles of Association of County Agricultural Conservation Associations, Southern Region, Revised November 9, 1937, SR-200, and the related instructions, SRM-127. The new Articles of Association are made effective by regulations of the Secretary of Agriculture and no formal



action by the county associations or their officers is required for their adoption.

The Articles of Association provide for the popular election of delegates to a county convention whose duty it shall be to elect the members and alternate members of the county committee and to meet upon request of the State committee to elect members and alternate members to fill vacancies in the county committee.

No board of directors will be organized for 1939. In general, the duties performed by the board of directors of the 1938 Association will be carried out in 1939 by the county committee.

**5. Election and organization forms.**—The following is a list of the forms to be used in connection with the election of committeemen and delegates and the organization of the 1939 Association, with a brief statement of the purpose of each:

a. **Form ACP-71**, entitled "Articles of Association of County Agricultural Conservation Association," will be executed, on behalf of the Secretary of Agriculture, by the Secretary to the State Committee for each 1939 Association. It will be prepared in triplicate, the original forwarded to the Director of the Southern Division and the first copy forwarded to the county committee.

b. **Form ACP-80**, entitled "Community Boundaries," will be used by the county committee of the 1938 Association to recommend to the State committee, for approval on behalf of the Secretary of Agriculture, the designation and boundaries of the communities comprising the territory covered by the 1939 Association. It will be prepared in triplicate and forwarded to the State committee.

c. **Form ACP-81**, entitled "Minutes of Community Election Meeting," will be prepared by the chairman and secretary of each community committee elected at the election meeting as a certification of the election of the members and alternate members of the community committee and of the delegate and alternate delegate to the county convention. It will be prepared in quadruplicate and three copies thereof transmitted to the office of the county committee, the original and first copy of which will be forwarded to the State Committee.

d. **Form ACP-82**, entitled "Report of Election Meeting of Delegates to County Convention," will be prepared by the chairman and secretary of the county committee elected at the meeting of the delegates to the county convention as a roster of the delegates in attendance and as a certification of the election of the members and alternate members of the county committee. It will be prepared in triplicate and the original and first copy thereof forwarded to the State committee.

e. **Form ACP-88**, entitled "Service Obligation and Agreement," will be executed by the chairman, vice chairman, secretary, and treasurer of the county committee. It will be prepared in a sufficient number of counterparts so that each person executing the same shall retain one executed copy and the original and one copy forwarded to the State committee.

f. **Form SRM-328**, entitled "Register of Members," will be prepared by the chairman and secretary of each community elec-



tion meeting for the signature of each member of the association in attendance. It will be prepared in the original only and transmitted to the office of the county committee and placed in the permanent records.

g. **Form SR-307**, entitled "Committeeman Information Card," will be prepared by each person elected as a community or county committeeman of the 1939 Association. It will be prepared in duplicate, the copy to be retained by the committeeman and the original forwarded, through the county and State offices, to the Director of the Southern Division.

## II. APPROVAL OF COMMUNITY BOUNDARIES

1. **Community and Association boundaries.**—In order to carry out the provisions of section 8 (b) of the Soil Conservation and Domestic Allotment Act and of the Articles of Association requiring that the boundaries of communities be fixed by the Secretary of Agriculture, it will be necessary for the county committee of the 1938 Association to submit to the State committee, for approval on behalf of the Secretary of Agriculture, a list, on Form ACP-80, of the names, letters, or numbers and the boundaries of the communities comprising the territory embraced in the county covered by the 1939 Association. Community boundaries of the 1939 Association must be approved prior to the holding of any 1939 community election meetings. No community shall include more than one county or parts of different counties.

2. **Preparation of Form ACP-80.**—Form ACP-80 should be prepared as follows:

a. The original and two copies of Form ACP-80, with the accompanying county maps, should be forwarded to the State committee well in advance of the date of the community election meetings.

b. Enter in the spaces provided therefor the name of the county and State.

c. In the column entitled "Name, Letter, or Number of Community," enter on a separate line for each community the name, letter, or number used (or in the case of a new community or one whose boundaries are being revised, intended to be used) to identify the community under the Agricultural Conservation Program.

d. In the column headed "Number of Farms in Community," enter the number of farms in the community, which number, in most cases, will be the same as the number of work sheets filed in 1938.

e. In the column headed "Number of Work Sheets Filed During Current Year," enter the total number of work sheets filed by farmers in the community under the 1938 Agricultural Conservation Program.

f. In the column headed "Estimated Number of Applications for Payment During Current Year," enter the number of applications for payment under the 1938 Agricultural Conservation Program which the county committee estimates will be submitted by farmers in the community. These are to be reckoned by the



number of application blank forms filled out and executed and not by the number of applicants signing the same.

g. A map of the county, clearly indicating the identifying name, letter, or number, and the boundaries of each community should accompany each copy of the form or be drawn on the reverse side thereof.

h. The chairman and secretary of the present county committee shall sign the form in the spaces provided for their signatures.

**3. Approval of 1939 Association.**—Form ACP-80 will be examined by the State committee and, if found to be in order, the first copy thereof will be returned to the county committee with an executed copy of the Articles of Association, Form ACP-71, indicating approval of the Articles of Association of the 1939 Association and the communities comprising the same.

**4. Notice of community boundaries.**—Not less than 10 days prior to the date of the community election meetings the secretary to the county committee shall give public notice of the designation and boundaries of each community comprising the association (Articles of Association, sec. 62 (c) 3). This may be done by posting a copy of the approved Form ACP-80 at the county office in a conspicuous place accessible to the general public and by posting a copy thereof in each of the approved communities. In addition, if deemed desirable, such secretary may hand the information to the local newspapers and obtain publicity thereof over the radio, provided no advertising expense is incurred.

### III. COMMUNITY MEETINGS FOR ELECTION OF COMMUNITY COMMITTEEMEN AND DELEGATES TO THE COUNTY CONVENTION

**1. Time and notice.**—A community election meeting shall be held at a readily accessible meeting place (so far as possible, at a central point) in each designated community on the date set by the State committee. Insofar as practicable, all of the community election meetings within each county should be held on the same date. If, because of inclement weather or any other sufficient reason, the attendance at the meeting in any community is not fairly representative, as to numbers, of the members of the association residing therein, the meeting may be postponed by the chairman to a later date, to be set by the secretary to the county committee.

At least 5 days prior to the date of the community election meetings, the secretary to the county committee shall post in a conspicuous place accessible to the general public in or near the office of the county committee, and in at least one such place in the community, a notice of the date, hour, place, and purpose of each meeting. In addition to the posted notices of the meetings, as much notice thereof as possible, consistent with keeping up with the current work of the county office, should be given to the individual members of the association through letters, newspaper items, and radio announcements, without incurring advertising expense.

**2. Chairman and secretary.**—The chairman of the community committee of the 1938 Association shall act as chairman of the community election meeting, or, in the event of his absence or inability to serve, the vice chairman shall act as such chairman, and shall desig-



nate a person to act as secretary of the meeting and may designate one additional person to assist the secretary in issuing, collecting, and counting ballots.

It is suggested that the persons who are to act as the chairmen of the respective community election meetings meet in the office of the county committee prior to the holding of any community election meetings, for the purpose of studying the Articles of Association and these instructions, in order that they may be certain that they understand the procedure to be followed in conducting the meetings. Such meeting would afford an opportunity to distribute the community election forms and to obtain instruction in the proper method of executing such forms.

**3. Registration of members.**—The Articles of Association, Form ACP-71, should be read to those persons in attendance at the community election meeting, at the start of the meeting, with particular emphasis placed upon the sections thereof relating to the purpose of the association, qualifications for membership, eligibility of committeemen, delegates, and officers, restrictions on political activity, duties of committeemen, delegates, and officers, and voting (secs. 21, 31, 32, 41-45, 51-57, 61, 63-64, and 95). The changes in the organization of the 1939 Association should also be explained to the members.

After a clear explanation has been given to those present as to the qualifications for membership and the rules of eligibility of committeemen and delegates, the chairman shall direct the secretary of the meeting to register each qualified member by securing his signature, tenure status, and mail address on the "Register of Members," Form SRM-328.

**4. Election of committeemen.**—The members of the association present shall first elect the member of the community committee of the 1939 Association who is to be the chairman of such committee. Any eligible member of the association, including any eligible member of the community committee of the 1938 Association in office at the time of the meeting, is eligible for nomination and election to any position on the community committee of the 1939 Association. Persons nominated as chairman shall be voted upon by written secret ballot. If one of the nominees for chairman receives a majority of all votes cast on the first ballot, he shall be declared elected. In the event no nominee receives more than one-half of the total number of votes cast on the first ballot, a second ballot shall be taken on the two members who received the highest number of votes and the nominee then receiving the majority of votes cast shall be declared elected.

The procedure prescribed above for the nomination and election of the chairman of the community committee shall be followed in the nomination and election of the member who is to be the vice chairman, the third regular member, the first alternate member, and the second alternate member of the community committee.

The first alternate member of the community committee shall serve at any time when any regular member is absent or unable to serve; and the second alternate shall serve in the absence or inability to serve of any regular member when, at the same time, the first alternate member is absent or unable to serve or is serving for an absent regular member.



Any member or alternate member of the community committee subsequently elected as a member or alternate member of the county committee shall automatically cease to be a member or alternate member of the community committee, and the resulting vacancy shall be filled pursuant to section 45 of the Articles of Association. The election of a member or alternate member of the community committee to serve as a delegate or alternate delegate to the county convention for the election of the county committee will not create a vacancy in the community committee.

**5. Committeeman information card.**—Immediately following their election, each member and alternate member of the community committee should be requested to prepare and file a “Committeeman Information Card”, Form SR-307. These should be prepared and filed at the meeting or as soon as possible thereafter. Any data relating to acreages which are not available to the committeemen at the meeting may be filled in by the county committee after the form is transmitted to the county office.

**6. Election of delegates.**—Following the election of members and alternate members of the community committee, members of the Association present at the community election meeting shall proceed to elect one delegate and one alternate delegate to the county convention. Any eligible member of the association, including any member or alternate member of the newly elected community committee, may be elected as a delegate or alternate delegate to the county convention.

The procedure prescribed for the nomination and election of the respective members of the community committee shall be followed in the nomination and election of the delegate and alternate delegate to the county convention. The alternate delegate shall serve whenever the delegate is absent or unable to serve.

**7. Selection of secretary.**—A secretary to the community committee of the 1939 Association may be selected by the members thereof pursuant to section 54 of the Articles of Association. It is recommended that the person later selected as secretary to the county committee be selected as secretary to the community committee and, if agreeable to a majority of the community committeemen, the chairman and secretary of the community election meeting may indicate the selection of such person by entering on the appropriate line of Form ACP-81, the words “Secretary to the County Committee.” The secretary to the community committee, however he may be selected, shall receive no pay for the services rendered in such capacity.

**8. Transmittal of forms.**—At the conclusion of the community election meeting, after the election of the committeemen, delegates, and alternates and the selection of a secretary to the community committee, the following forms shall be prepared and transmitted to the office of the county committee:

- a. Form SRM-328—original only.
- b. Form ACP-81—original and two copies. The secretary and chairman of the community committee will sign each copy of Form ACP-81 in the spaces provided. In case the secretary to the community committee has been selected as the person who will be selected as the secretary to the county committee, he may sign such forms later after he shall have been selected as the secretary to the county committee.
- c. Form SR-307—original only.



#### IV. MEETING OF DELEGATES TO COUNTY CONVENTION AND ELECTION OF COUNTY COMMITTEE

**1. Time and notice.**—As soon as practicable after the date of the community election meetings, the members elected as delegates to the county convention shall meet for the purpose of electing members and alternate members of the county committee of the 1939 Association. The date, place, and hour of the meeting of the delegates will be designated by the secretary to the county committee of the 1938 Association and due notice thereof, in writing, shall be given to each of the delegates from the respective communities. In the event any delegate is unable to attend the meeting, he should notify the alternate delegate from his community to attend and serve in his stead. Such meeting shall be held prior to January 1, 1939, and shall be held at the county office or a fairly central place.

**2. Chairman and secretary.**—The chairman (or, in his absence, the vice chairman) and the secretary of the county committee of the 1938 Association shall act as chairman and secretary, respectively, of the meeting of the delegates to the county convention. If the secretary of the county committee should be absent or there is a vacancy in such office, the chairman of the county committee shall designate an employee of the county office or one of the delegates to act as secretary of such meeting.

**3. Roster of delegates.**—As soon as the meeting of the delegates has been called to order by the chairman, the secretary shall call the roll of delegates from the names reported in the minutes of the several community election meetings, and shall prepare a list, in triplicate, of the names of those in attendance on the "Report of Election Meeting of Delegates to County Convention," Form ACP-82. The word "alternate" should be entered opposite the name of each alternate delegate attending the meeting and serving instead of the delegate from his community. The names of the delegates not present at the meeting should be listed on the lines provided therefor.

**4. Election of county committeemen.**—Members and alternate members of the county committee shall be elected from among those members of the association who are beyond any question eligible under section 51 of the Articles of Association to serve as committeemen. Experience indicates that it is a good rule to follow that at least one member of the county committee of the 1938 Association should, if eligible, be elected as a member of the county committee of the 1939 Association, and it is recommended that the entire membership of the county committee be composed of members of the association who have rendered satisfactory service as county or community committeemen in 1938, or who have been elected as community committeemen or alternates for 1939.

The delegates to the county convention shall first elect the regular member of the county committee who is to be its chairman. Members of the association nominated as chairman shall be voted upon by written secret ballot. If one of the nominees for chairman receives a majority of all votes cast on the first ballot, he shall be declared elected. In the event no nominee receives more than one-half of the total number of votes cast on the first ballot, a second ballot shall be taken on the two members who received the highest



number of votes and the nominee then receiving a majority of the votes cast shall be declared elected.

The procedure prescribed for the nomination and election of the chairman of the county committee shall be followed in the nomination and election of the second regular member who is to be the vice chairman, the third regular member, the first alternate member, and the second alternate member of the county committee.

The first alternate member of the county committee shall serve whenever any regular member is absent or unable to serve; and the second alternate member shall serve in the absence or inability to serve of any regular member when, at the same time, the first alternate member is absent or unable to serve or is serving for an absent regular member.

In case a vacancy occurs in 1939 in the membership of the county committee when no alternate is available to fill such vacancy, the State committee will direct the secretary to the county committee to call a meeting of the delegates to the county convention for the purpose of filling the vacancy existing in the regular membership and the vacancies in the panel of alternates. The delegates to the county convention shall meet only upon call by or upon authority of the State Committee and shall perform only such duties as are specifically set forth in the Articles of Association and these instructions.

**5. Committeeman information card.**—Immediately following their election, each member and alternate member of the county committee present at the meeting shall be requested to prepare and file a Committeeman Information Card, Form SR-307. Any member or alternate member of the county committee who previously prepared a Committeeman Information Card by virtue of his election as a community committeeman need not prepare an additional card but should change the title on the first card from “community” committeeman to “county” committeeman.

**6. Completion of Form ACP-82.**—Immediately following the election and qualification of the county committee, the secretary to the present county committee shall record in the spaces provided on the back of Form ACP-82 the names and addresses of the members and alternate members thereof. He shall complete its preparation by entering the names and addresses of the secretary and treasurer of the 1938 Association, and the name and mail address of the association in the spaces provided (see part V). The chairman of the present county committee and its secretary should sign the original and the two copies of Form ACP-82, in the space provided for their signatures.

## V. SELECTION OF SECRETARY AND TREASURER

Action of the county committee of the 1939 Association with reference to the selection of a secretary and treasurer, as provided for in section 52 and section 53, respectively, of the Articles of Association, shall be deferred until after the date of the beginning of the tenure of office of such committeemen. A meeting of the county committee for the purpose of selecting a secretary and treasurer will be arranged in accordance with instructions issued by the State committee. Any contemplated changes in the employment of the secretary or treasurer



should be discussed with the State committee before any selections are submitted for approval.

The secretary and the treasurer of the 1938 Association shall continue in office until their successors have been selected and approved.

## VI. PREPARATION OF SERVICE OBLIGATION AND AGREEMENT

1. **Purpose.**—Pursuant to the instructions governing the operation of the indemnity trust fund for county associations, each person elected to an office of the association requiring the handling of funds, records, or property of the association, or the certification of administrative expense claims shall, before or at the time of entering upon the duties of his office, execute Form ACP-88, "Service Obligation and Agreement," as evidence of his acceptance of the responsibilities of the office to which he was elected.

2. **Preparation of Form ACP-88.**—Form ACP-88 should be prepared for the respective signatures of the chairman, vice chairman, secretary, and treasurer of the county committee. The original and one copy of the service obligation and agreement form will be forwarded to the State committee and, when approved by a representative thereof, the copy will be returned to the county office. One executed copy of such service obligation and agreement should be furnished to each signatory thereof, to be retained by him.

## VII. TRANSMITTAL OF ORGANIZATION FORMS

1. **From county to State office.**—The secretary to the county committee shall forward the following organization forms and reports to the State committee:

- a. Form ACP-80—original and two copies.
- b. Form ACP-81—original and first copy.
- c. Form ACP-82—original and first copy.
- d. Form ACP-88—original and first copy.
- e. Form SR-307—original only.

2. **From State to regional office.**—The State committee will transmit the following organization forms to the Director of the Southern Division:

- a. Form ACP-71—original.
- b. Form ACP-80—original.
- c. Form ACP-81—original.
- d. Form ACP-82—original.
- e. Form SR-307—original.

3. **From State to county office.**—The State committee will transmit the following forms to the county committee:

- a. Form ACP-71—First copy.
- b. Form ACP-80—First copy.
- c. Form ACP-88—First copy.

Issued November 12, 1938, with the approval of the Administrator.

I. W. DUGGAN,  
*Director, Southern Division.*











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## UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION OF ILLINOIS  
SOUTHERN DIVISION

# Cotton, Land, and People

## A Statement of the Problem

Cotton is the basic crop in the agricultural life of the South. In the 10 principal Cotton States—North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, Oklahoma, and Texas—the economic welfare of virtually every citizen, regardless of personal activities, rests in a large measure upon an agricultural foundation of which cotton is the keystone.

The 10 Cotton States, which are the basis of this discussion, are famed for many crops, but the annual average cash income in these States from cotton alone is more than the annual cash income from all of the other crops and livestock enterprises combined. Cotton has maintained its dominant place in these 10 States in spite of low prices, boll weevils, overproduction, foreign competition, synthetic fibers, and other limiting factors.

Cotton is a “money crop” upon which the farmers of these States have long depended for cash to pay bills and operating expenses. Regardless of how low prices may be, there is always a market for cotton, even at the smallest crossroads hamlet, where a farmer can exchange his lint and seed for cash. Regardless of what a farm may produce for food and feed, the fact remains that it must also produce some crop or crops which can be sold for cash. Money must be had to pay taxes and labor and buy clothes, seed, fertilizer, machinery, and other things the farm itself cannot produce. To get this cash income, southern farmers have long depended upon “King Cotton,” despite the fact that this ruthless ruler has built a sprawling and densely populated kingdom where poverty and low income prevail.

During the 12 years 1924–35 the annual gross farm income from cotton and cottonseed in the 10 principal Cotton States averaged \$1,019,000,000. This was 41 percent of the average total gross farm income in these States from all crops and livestock enterprises combined; 59 percent of the gross income from crops alone; and was 39 percent larger than the gross income from livestock enterprises. From the standpoint of cash income, cotton occupies an even more important position than is indicated from the gross income data. For the 10 States, the average cash income from cotton in the 12 years 1924–35 amounted to 53 percent of the cash income from all crops and livestock enterprises combined; 67 percent of the cash income from crops alone, and was 158 percent more than the cash income from livestock enterprises. In individual States cotton looms even more

Based on an address by I. W. DUGGAN, Director, Southern Division, Agricultural Adjustment Administration, before the American Farm Economic Association, at Philadelphia, Pennsylvania, December 28, 1939.



important. In Mississippi, for example, where 66 percent of the people live on farms, the income from cotton during the 12 years has varied from 65 percent to 83 percent of the total cash farm income.

In 1934, cotton was produced on over two-thirds of the 2,713,597 farms in the 10 principal Cotton States. According to the last decennial census, more than 80 percent of the farms producing cotton in these States received at least 40 percent of their total income from cotton. Total farm population of the United States is about 32 million, and of this number approximately 10 million live on cotton farms, and derive the major portion, and in many cases their entire cash income, from the production of cotton. In 1924, 43 percent of the cultivated acreage in the 10 States named was devoted to cotton, in 1929, 44 percent, and in 1934, 27.5 percent.

Cotton is not only important to the farm people of the South, but to the region's entire population. In these 10 States many facilities have been developed to finance, transport, handle, and process the cotton crop. In some areas even the educational system is built around the cotton economy. The income from cotton determines to a large degree the funds available for education, and in many rural areas the school session is adjusted so as not to conflict with the peak of labor requirements in the production of cotton.

The first and most important problem of the South is that of low income. To state the problem simply, there just is not enough total agricultural income in the South to support the region's extremely dense farm population. In the 10 principal Cotton States, 47 percent of all the people live on farms. The average per capita income of these rural people is unbelievably small. They are, as the President has so aptly stated, "ill-fed, ill-clothed, ill-housed." Many, if not all of these ills, can be traced directly to an inadequate income. There is no hope of correcting these ills through the redistribution of the available income, because that income is so small and so inadequate that even if it were redistributed there still would not be enough to go around. The first problem is to increase the total income going to the South so there will be more to divide among its dense farm population.

The gross farm income per person for the 10 principal Cotton States for the years 1924-35 averaged \$184. For the first 5 years it averaged \$238, and for the last 5 years, \$127. The cash income is even more significant. For the first 5 years, this cash farm income amounted to \$190 per person and for the last 5 years it amounted to only \$95. It is impossible to distribute such a small cash income so as to give an adequate purchasing power to the entire farm population. It is impossible to achieve or maintain even an un-American standard of living on an income that low.

Out of this inadequate income it is necessary for producers to pay certain production costs, so that the income left for living is a much smaller figure. The cash out-of-pocket cost of growing cotton, the most important crop, is relatively large. The average cost for fertilizer alone, for the years 1923-32, inclusive, for the 10 States amounted to \$2.07 an acre. Fertilizer costs ranged from an average of 25 cents an acre in Oklahoma to \$7.40 an acre in North Carolina.

The cropland per capita of farm population in the South is far too small. In 8 of the 10 principal Cotton States there is less than 8

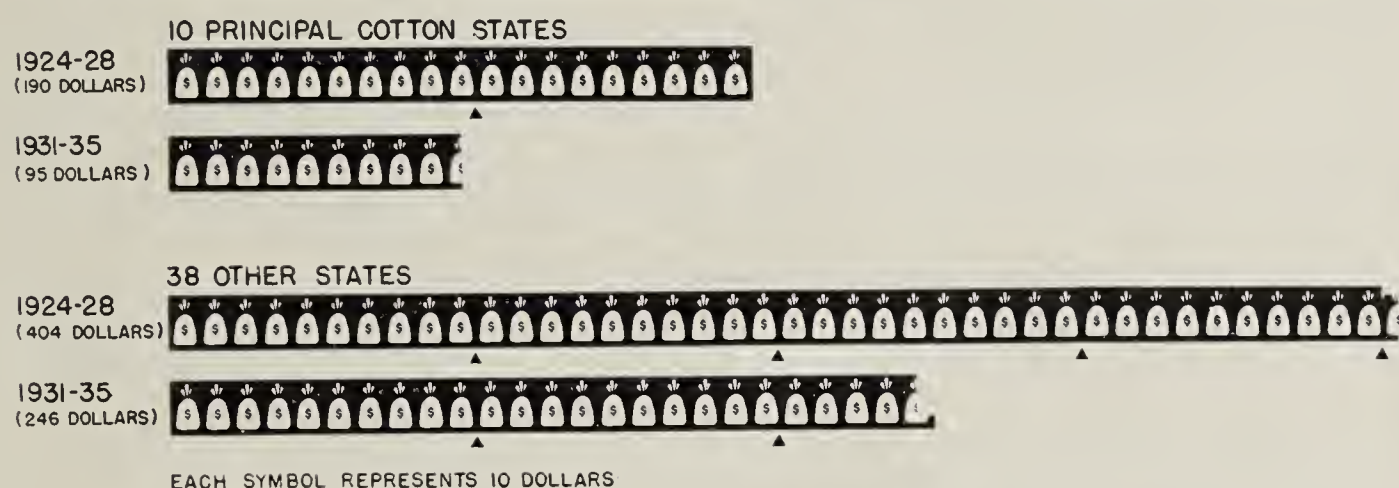


acres, and in 5 of these States there is less than 6 acres of cropland per farm person. More than one-third of all the farms in the United States are located in the 10 principal cotton-producing States. Out of the national farm population of almost 32 million people, more than 13 million live on all types of farms in these 10 States. With this dense farm population and limited cropland, the farming units of the South are generally too small to permit efficient operation and to support the average family. Even with the most intensive cultivation, ignoring for the time being the limited markets, 5 acres of cropland per person is not sufficient to maintain a standard of living equal to the average for all United States farmers. It is not probable that over a long period of time the dense farm population of the South can be supported on the limited cropland of the area.

Cotton has been the source of cash income in the South, because, in addition to being naturally adapted to the area, it has returned over a long period a higher income on both a per acre and a per hour basis than any other major crop except tobacco. According to an

## PER CAPITA CASH FARM INCOME (5 YEAR AVERAGE)

(78 CROPS AND 13 LIVESTOCK ITEMS)



SOUTHERN DIVISION, AAA, U.S.D.A., JUNE 1940

extensive study made by the Bureau of Agricultural Economics,<sup>1</sup> the per acre and per man hour returns from cotton are small, but they are still far in excess of any other crop universally adapted to the South and for which there is a ready cash market.

The returns from crops other than cotton and tobacco might be somewhat higher if such crops were planted on the best land in the area, but they would still fall far short of equaling the income from cotton or tobacco.

In the report on the same study there is shown the estimated average acreage required to produce \$100 worth of products from certain livestock enterprises and from cotton in 8 of the principal Cotton States, on the basis of average yields and prices in the 10 years, 1923-32. Texas and Oklahoma were omitted because the principal livestock areas in those States are not cotton-producing areas to a large extent.

About one and one-half to over eight times as many acres were required to produce \$100 worth of products in the case of dairying, beef cattle, and hogs as in the case of cotton. Even poultry required

<sup>1</sup> The World Cotton Situation. Part II, Cotton Prod. U. S.—BAE, Washington, D. C., February 1936.

a third more acreage than cotton to produce \$100 worth of products. The relatively low returns from livestock enterprises in these States are attributed to the low average yields of feed crops and the low carrying capacity of most pastures. The small acreage of cropland per person is also one of the limiting factors in increasing livestock production. Other limiting factors are the large investment required in livestock enterprises, the lack of training and experience in livestock production, and the system of farm tenure. Losses from disease and insect pests still delay the expansion of the livestock industry in the South.

In the 10 principal cotton-producing States the 1935 census showed that of a total of nearly 2,714,000 farms there were 758,000 without a milk cow, 973,000 without a hog, and 340,000 without even a chicken. These figures show the drastic need for expanded production of livestock to meet home needs. The livestock that is produced in the 10 States is not an accurate guide to the number used on farms because of the large-scale livestock industry especially in the noncotton areas of Texas and Oklahoma and local areas in other States. The facts are that a considerable portion of the livestock and livestock products goes to market, and though originating in these States, does not furnish a part of the food needed by cotton farmers who cannot afford to buy these products.

In a recent preliminary study by the Bureau of Agricultural Economics<sup>2</sup> it is estimated that an additional 5.8 million acres of cropland and 8.7 million acres of pasture land would have been required in 1937 to furnish a minimum adequate diet for farm families in 8 of these 10 States. North Carolina and Tennessee are the 2 States excluded in this study. The same study showed that more than three-quarters of a million additional dairy cows were needed in 1937 to supply the dairy products and 15 million more chickens were needed to supply the eggs for a minimum adequate diet.

Here again the problem of dense farm population and limited cropland is an important factor because the profitable production of livestock requires adequate pastures and plenty of home-grown feed. Few farms in the Cotton Belt can further take away from their "cash" crops the land needed for pastures and feed. Furthermore, the South, except for certain well-defined areas, is not well adapted to grazing. There are no universally adapted perennial or biennial legumes in the South which provide grazing and forage.

Some observers have been keenly interested in the possible expansion of the livestock industry in the South under the Agricultural Adjustment Administration's program of diverting cotton acreage. The program not only permits but encourages the production of food and feed needed for home use but there are definite restrictions on the use of diverted acres for commercial production. In addition, not all of the land diverted from cotton is available for food and feed as it is necessary to devote considerable acreage to soil-conserving and soil-building uses if the productivity of the soil is to be restored and maintained.

It is estimated that 282 million acres in the United States have been badly damaged by erosion. Of this amount approximately 30

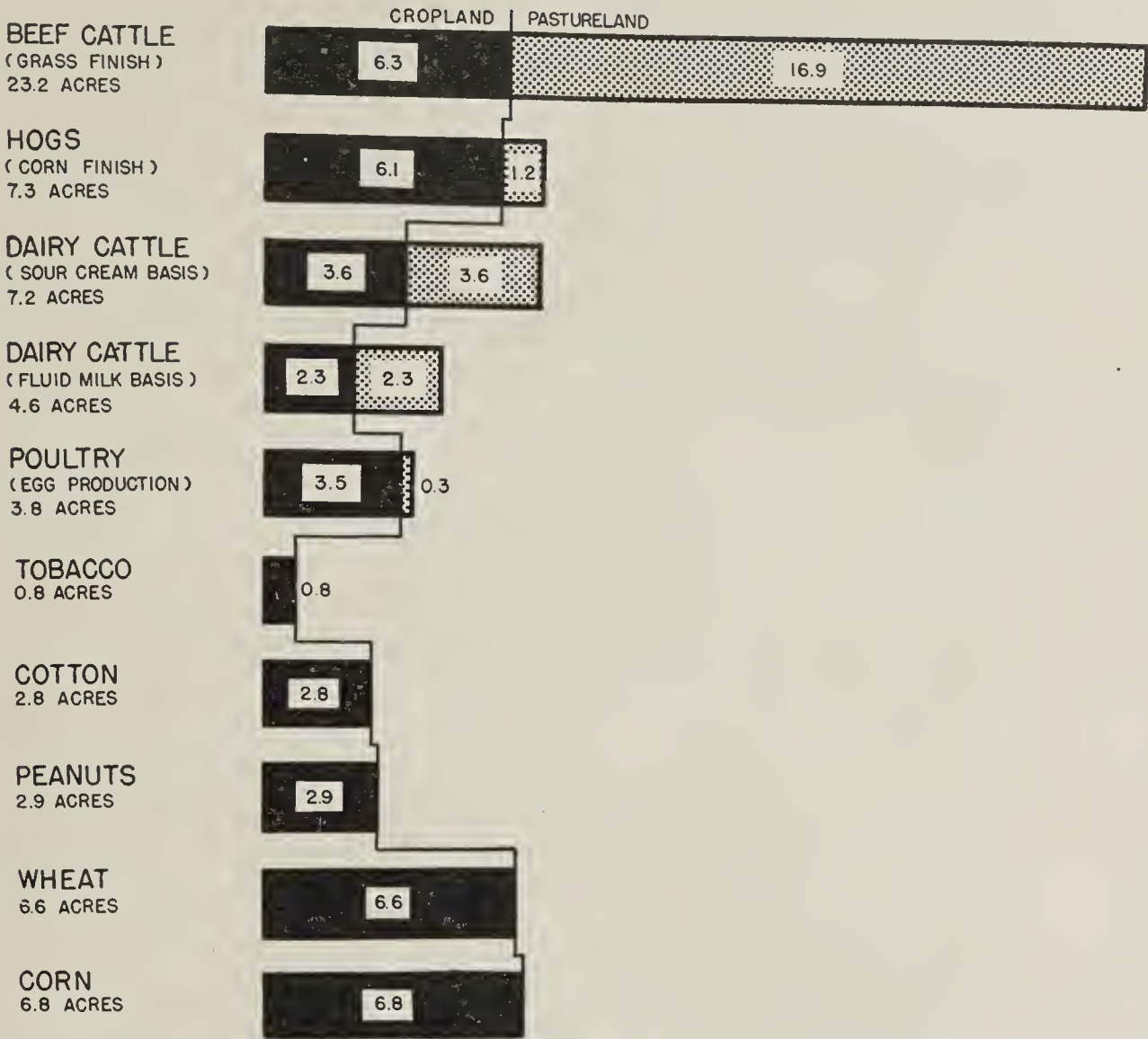
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<sup>2</sup> Food, Feed, and Southern Farms—Farm Management Reports No. 1—BAE, Washington, D. C., November 1939.



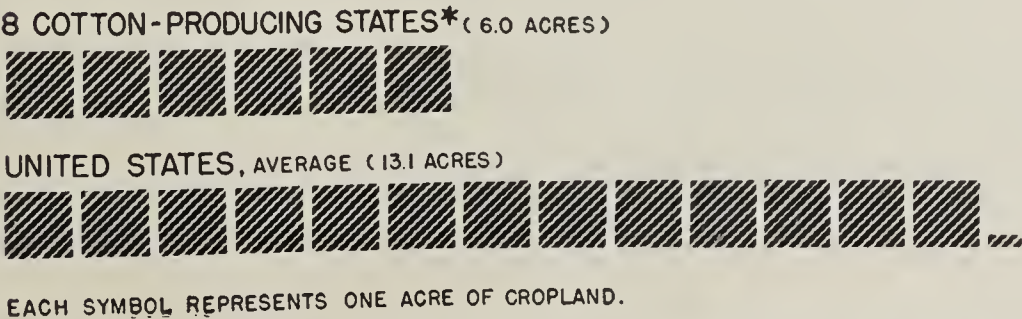
percent is in the 10 Cotton States. An additional large portion of the cropland of the South is damaged by moderate erosion. The system of tenure, the cropping system, the low income, the topography, and the climate have, for a long period, contributed to the depletion of the soil.

# ACREAGE REQUIRED TO PRODUCE 100 DOLLARS WORTH OF PRODUCTS IN 8 COTTON-PRODUCING STATES,\* 1923-32



\* NORTH CAROLINA, SOUTH CAROLINA, GEORGIA, ALABAMA, TENNESSEE, MISSISSIPPI, LOUISIANA, AND ARKANSAS.  
SOURCE: U.S.D.A., B.A.E., WORLD COTTON SITUATION-(MIMEO)-FEBRUARY 1936. (PART 2)

## ACRES OF CROPLAND PER FARM PERSON - 1935



COMPUTED FROM CENSUS OF AGRICULTURE, 1935.  
SOUTHERN DIVISION, AAA, U.S.D.A.-JUNE 20, 1940.

Sharecroppers and tenants who stay on a farm for only 1, 2, or 3 years have not been interested in expending the labor and money necessary to conserve and build the soil. Moreover, they have not known how to do this, and the management has not encouraged them along this line. The farm income has been so low that every dollar was needed for bare subsistence. Money could not be spared to buy the seed and fertilizer needed in soil-conserving practices.

Because of the dense farm population and the low income, too much of the land of the South has been devoted to soil-depleting, intertilled cash crops which leave the soil bare during the open winters, the season of heaviest rainfall in most of the region. Much of the cropland, especially in the Piedmont areas, should not be planted to row crops because it is too steep for cultivation. Nevertheless, it is continually cropped year after year in cotton and corn because of the need for land. To keep a cover on the soil throughout the year in much of the South, it is necessary to plant both a winter and a summer cover crop. In most cases the seed for winter cover crops has to be imported from without the region and requires an out-of-pocket cash outlay. To get satisfactory results from cover crops in the South, it is necessary on much of the land to apply phosphate, lime, or both, which also requires a cash outlay.

The opportunities for supplementary farm income from forest enterprises are not being used to benefit the farmer to the fullest extent in the South. The lack of stability in the farm population, the length of time before income can be realized, and the size of farm units all hinder development of forest enterprises.

The story of forestry in the South in most instances is a story of exploitation. From my rather limited observations, the present operations of the pulp mills are the last stages in the exploitation of the forests of the South. Many farmers have told me of the low prices they have received for wood sold to the pulp mills. That is distressing news today, but what concerns me most is that it foreshadows further depletion in the years ahead of the South's once magnificent forests. Improved forestry methods are needed, and improved woodlot management would be an asset to cotton farmers.

Probably one of the most discussed problems of the South is the high rate of farm tenancy. It seems to me, however, that the South's system of tenure, the cropping system, and the credit system have grown up together and are so closely intertwined that it is difficult to deal with any one separately.

Sharecropping dates back to the War between the States and is an outgrowth of the conditions following the emancipation of the slaves. The planter had possession of the land and in many cases, the tools and equipment, but no money with which to employ labor. The laborer had no money with which to acquire land, tools or equipment, or to finance his operations, and was unskilled in any other occupation except agriculture. Out of this situation grew the sharecropper-tenant system as we have it today. The need for credit to finance crops made it essential that crops be grown for which there was a ready cash market. Cotton was the natural answer to the cash crop problem.

The high rate of tenancy in the South is too well known for any detailed discussion. It will be sufficient to remind you that 60 per-



# PERCENTAGE OF FARMERS WHO ARE TENANTS – 10 PRINCIPAL COTTON STATES, 1935

MISSISSIPPI  
69.8 PERCENT



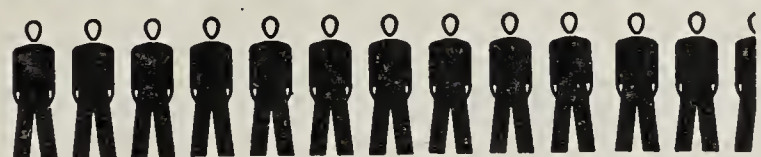
GEORGIA  
65.6 PERCENT



ALABAMA  
64.5 PERCENT



LOUISIANA  
63.7 PERCENT



SOUTH CAROLINA  
62.2 PERCENT



OKLAHOMA  
61.2 PERCENT



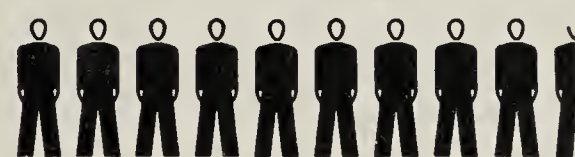
ARKANSAS  
60.0 PERCENT



TEXAS  
57.1 PERCENT



NORTH CAROLINA  
47.2 PERCENT



TENNESSEE  
46.2 PERCENT



10 PRINCIPAL  
COTTON STATES  
60.0 PERCENT



EACH PERSON REPRESENTS 5 PERCENT OF FARMERS  
SOURCE: REPORT OF THE PRESIDENTS COMMITTEE, FEBRUARY 1937.

cent of all the farmers in the 10 States are tenants or sharecroppers. The percentage ranges from 47 in North Carolina to 70 in Mississippi. Despite the heavy Negro farm population, there are 40 percent more white than Negro tenants in the South. Tenancy has shown a steady increase, even during the relatively prosperous period of the twenties. In the State of Oklahoma, for example, which started out 50 years ago as free land to all who would homestead it, we find today 61 percent of the farmers are tenants. On the average about 40 percent of the tenants in the South move every year, and over half move every 2 years.

The credit system of the South with high interest rates has contributed to the tenancy problem. However, providing low interest credit alone will not solve this problem. If the income from the farm is not sufficient to pay back the principal, a low interest rate in itself would not bring about farm ownership. Here again the press of population for land tends to lead to the overcapitalization of land values and retards operator ownership.

There are other matters growing out of the sharecropper-tenant system that should be called to your attention. The question of a fair division of crop and livestock products between sharecroppers and landlords and between tenants and landlords has long been a controversial issue. In recent years, it has come up repeatedly in connection with division of Government payments. As yet, this question has not been satisfactorily answered either for the landlord or the tenant. However, here again the division of an inadequate income cannot be satisfactory to either the tenant or the landlord. The first problem is to increase the total income.

Under the farming and tenure system, tenants find it difficult or impossible to obtain productive employment when not engaged in the production and harvesting of the cotton crop, which requires only about 120 days of productive labor. Thus, for two-thirds of the year the cotton farmer is practically without cash-producing employment.

The tenant, however, does have opportunity for additional employment if he produces his own food and feed and takes care of his livestock, farm buildings, and equipment. While this would tend to lower the cash expense and improve the standard of living, it would not materially add to the cash income and purchasing power. Yet, even here we meet resistance because the skill required to properly do these things has not been developed. These people lack experience and educational opportunities.

Educational opportunities are lacking despite the fact that the 10 principal Cotton States spent 3.2 percent of their total 1935 income for educational purposes. This figure compares favorably with other regions and the United States as a whole. We must keep in mind, however, that the South has an added burden of supporting a dual school system which, while necessary, tends to increase the financial burden.

The opportunities for part-time employment of the South's rural people in industry are also limited. There are large deposits of certain minerals in the South, but even here the opportunities for employment of seasonal farm labor are limited. It might be mentioned in passing, that the area does not receive maximum benefits from its natural resources because, as a rule, they are controlled by absentees.



The annual production of oil in Texas, for example, has a valuation of several hundred million dollars, yet only a small amount of this remains in Texas in the form of royalties, labor, and transportation costs. The same is true of many of the manufacturing and other industrial concerns located in the South, as most of these have been developed with outside capital and the profits go out of the region. The large insurance companies are not located in the South and for a long period of years the South has sent money which was sorely needed for local development to other regions to buy insurance.

Many of the advantages the South has had to offer industry have been nullified. Freight rates have played no small part in offsetting the natural advantages of the South. In a recent study made by the Tennessee Valley Authority<sup>3</sup> it was found that the per ton-mile cost of hauling freight is actually lower in the South than it is in the Northeastern States yet the charges for freight are considerably higher in the South than they are in the Northeast. This disparity is even greater between the Northeast and the Western areas.

The use of consumption goods in the South is low because its people do not have the necessary purchasing power. If more manufacturing and industrial plants were located in the South, there would be a larger outlet for a more diversified agriculture. We have a large group of people who are not able to buy the consumption goods they need. These people need employment and could be used in producing these goods. Could not these two factors be reconciled without detriment to other regions?

It is possible that all or almost all of these handicaps could have been overcome if it had not been for the long-time national tariff policy. That, of course, is one man's personal opinion on a deep-rooted economic question that has rocked this country since the days of Alexander Hamilton—split it once—and apparently is just as far from being settled today as it ever was. The reciprocal trade agreements program of the present Administration is one approach to this problem but even this more or less mild effort to recognize that we can't sell if we don't buy is being singled out for attack in some quarters. The tariff is merely mentioned as one of the South's major problems.

Cotton and tobacco, the principal crops of the South, are both export products and we normally sell half or more of these crops abroad. Historically, the whole economy of the South has been built around cotton. Cotton has been the most important export commodity of the United States since shortly after Whitney invented the cotton gin.

The average annual value of cotton exports from 1875 to 1910 amounted to about \$260,000,000. During these same years the average favorable balance of merchandise exports from this country amounted to about \$250,000,000. This was a period when it was generally considered that the United States was prosperous; a period when the interest and principal of our foreign debts were being paid off. In other words, cotton exports played no small part in paying for the industrialization of this country in the nineteenth century.

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<sup>3</sup> The Interterritorial Freight Rate Problem of the United States.



If 90 percent or more of the cotton crop were domestically consumed, it might not be difficult to attain parity income from cotton production. But, whether we like it or not, that is not the case. American cotton depends on foreign mills for a large part of its consumption. Suppose, for example, that our cotton producers during the last few years had received a parity price for that portion of the crop domestically consumed, world prices for the remainder of the crop, even with normal production, would leave the farmer's income from cotton much below parity, possibly 25 to 30 percent below.

Prior to the World War we were a debtor Nation, but we came out of the war a creditor Nation, which made it difficult to sell abroad. For a while, through large loans during the 1920's, the full effect of the change to a creditor nation was not felt on exports. Trade agreements, such as the one in which Japan agreed to take up to 1 million bales of Indian cotton a year and India agreed to take up to 400 million yards of Japanese cloth a year, have further handicapped the exports of American cotton.

Another important factor is that foreign acreage in cotton production has been on an upward trend during the last half century. According to a study by the Bureau of Agricultural Economics in 1934, foreign cotton production for the preceding 45 years increased at the rate of 150,000 bales a year while the average annual increase for the United States was a little more than 100,000 bales a year. Since 1920 foreign acreage has almost doubled. About 17 million acres of this increase took place between 1932 and 1938. However, most of this increased acreage in foreign countries is accounted for by the four countries of Russia, China, Uganda, and Brazil. The increase in three of these countries, China, Russia, and Uganda, can be attributed to internal conditions and probably would have taken place regardless of policies in other countries. This is also true of a considerable amount of the increase in Brazil.

It should be borne in mind that this increase in foreign acreage of cotton has taken place while the world price of cotton was on a very low level. About 10 years ago foreign countries produced around 10 million bales of cotton for the equivalent of approximately \$900,000,000 in American money. In recent years foreign countries have produced around 16,000,000 bales of cotton for an equivalent of around \$600,000,000 in American money. These foreign countries are now growing 60 percent more cotton for about 30 percent less money than they did 10 years ago.

Cotton farmers of the South cannot produce cotton for the world market and live at world prices. On the other hand, they cannot afford to give up the foreign market for cotton without rearranging the whole economy of the South. Such a rearrangement would affect the entire Nation.

One other development which is making it more difficult to sell cotton abroad is the increased production of continuous filament rayon and rayon staple fiber. World production of these fibers increased from about 33,000,000 pounds, or the equivalent of 78,000 bales of cotton in 1920, to 2,231,000,000 pounds or the equivalent of over 5 million bales of cotton in 1939. Most of these fibers are produced in Japan, Germany, United States, Italy, Great Britain, and France in the order named. It does not mean that this much cotton has been



replaced, but the increased use of synthetic fibers has to be reckoned with both at home and abroad in dealing with the cotton problem. Possibly as significant as the increase in the production is the decline in price of filament rayon. In 1920 the price of filament rayon was \$4.66 per pound of yarn. By 1939 the price had declined to 52 cents per pound of yarn.

The problems raised appear to be the basic economic ills of the South. There are others, of course, that have not been expanded upon, such as the prevalence of diseases—particularly nutritional diseases growing out of inadequate diets, and the absence of adequate medical care and hospital facilities. Then, too, we have the sorry spectacle of women and children working long hours in cotton fields—women who bear more than their share of the Nation's children. In sharp contrast to the hours of back-breaking hand labor, we have the more recent mechanization of cotton production with tractors for cultivation, airplanes for dusting and the mechanical picker lumbering through the experimental stage.

These problems will not be elaborated upon, for it seems that they are contributory to, or have resulted from, a desperate situation which is the fountain head of the South's economic ills. This desperate situation can be summarized in one statement. That is: the press of a dense farm population against the limited natural resources, together with artificial, man-made handicaps and legal barriers, such as the tariff, have resulted in an inadequate income both in the aggregate and on a per capita basis.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SOUTHERN DIVISION

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**APPEAL PROCEDURE**

(Applicable to all programs administered by the Agricultural Adjustment Administration, beginning with the 1941 programs)

**GENERAL PROVISIONS**

**SECTION 1. Matters Which May be Appealed.**—An appeal may be taken from the recommendation or determination of the county committee or the State committee with respect to any matter affecting the right to or the amount of payment or deduction with respect to any farm or ranch or any other matter respecting the participation of the person or the farm or ranch in the program in question, such as eligibility to file an application for payment, any soil-depleting acreage allotment, usual acreage, normal or actual yield, measurement, or the division of payment.

**SEC. 2. Who May Appeal.**—An appeal may be taken by any person who has an interest as landlord, tenant, or sharecropper in the farm or who is the operator or joint operator of the ranch, with respect to which any recommendation or determination by the county committee or State committee is made. Only a person who shows that he is adversely affected by the outcome of any request for reconsideration or appeal may appeal the matter further, but any person who, as landlord, tenant, or sharecropper having an interest in the operation of the farm involved, or as operator of the ranch involved, would be affected by the decision to be made on any reconsideration by the county committee or subsequent appeal shall be given a full and fair hearing if he appears when the hearing thereon is held.

**SEC. 3. To Whom Appeal Should be Made.**—In cases where the recommendation or determination complained of was made by the county committee, the appeal must be made in the first instance to the county committee. The appeal to the county committee is in the nature of a request that it reconsider its initial recommendation or determination with which the person appealing (called the appellant) is dissatisfied. If the appellant is dissatisfied with the final decision of the county committee, he may appeal to the State committee. If the appellant is dissatisfied with the decision of the State committee upon his appeal to it or with its recommendation or determination in any matter which was not appealed to it, he may request the Director of the Southern Division to review the decision, recommendation, or determination of the State committee.

**SEC. 4. Time and Manner of Filing Appeal.**—Appeals to the county and State committees and requests for review to the Director of the Southern Division must be in writing signed by the



person making the appeal or his authorized agent. Each appeal must contain or be accompanied by a written statement, in duplicate, containing such information and argument as the appellant believes to be pertinent to the case. An appeal to the county committee must be filed with such committee within 15 days after notice of the recommendation or determination appealed from is mailed to, or made available to, the appellant. An appeal to the State committee must be filed with such committee within 15 days after the decision of the county committee from which the appeal is taken is mailed to or made available to the appellant. A request for review by the Director of the Southern Division must be filed with such Director within 15 days after the decision, recommendation, or determination of the State committee from which the appeal is taken is mailed to, or made available to, the appellant. An appeal which is placed in the mails and is postmarked before midnight on the fifteenth day will be considered as having been timely filed.

**SEC. 5. Right of Appellant to Appear.**—Any person filing an appeal may appear and present evidence and argument in person or by representative before the county committee, the State committee, or the Regional Appeals Committee at the time his appeal is considered, provided he so requests in writing at the time of filing his appeal.

**SEC. 6. New Evidence.**—Any new evidence, newly discovered or otherwise, of a material nature, which is presented by the appellant in any case after the decision of the county committee and prior to a decision by the Director of the Southern Division will necessitate the return of the appeal for reconsideration and a new decision (within corresponding time limits) by the committee(s) which had previously rendered a decision thereon, except that, (a) if the appellant in any case under consideration by the State committee wherein the recommendation of the county committee was favorable to the appellant desires to dispense with further proceedings before the county committee, he may submit his case for decision by the State committee on the record as it then stands or as it may be supplemented by additional evidence tendered by him within a time to be fixed by the State committee or the appeals clerk, which date shall not be earlier than that indicated by the appellant as the date on which he will be ready to submit his case to the State committee, and (b) the Regional Director may not require such return if he is satisfied that the record is such that he may reach a fair decision without the benefit of the judgment of the county and State committees in the light of the new evidence.

**SEC. 7. Basis for Making Decisions.**—All appeals to the county or State committee and all questions involved in requests to the Director of the Southern Division for review shall be decided in accordance with the applicable regulations and instructions.

## COUNTY COMMITTEE PROCEDURE

**SEC. 8. Time and Place of Hearing.**—The county committee shall fix a time and place for the consideration of each appeal filed with such committee, and, if the appellant has requested the right to appear, the committee shall give the appellant at least three days written notice of such time and place.



**SEC. 9. Hearing, Investigations, and Record.**—In connection with each appeal, the county committee shall study the record in the case, make or cause to be made such investigations as are necessary for a proper reconsideration of its original recommendation or determination, request the presence of the persons and documents necessary for a proper reconsideration of the case, and hold the hearing at the time and place fixed. The committee shall make a complete written verbatim report of the hearing and of its decision, giving a clear, concise statement of the facts asserted by the appellant and those found by the committee to be the material facts and of the reasons for its decision. The report shall show all persons present at the hearing and be accompanied by the documents admitted in evidence, which shall be identified by exhibit numbers endorsed thereon.

**SEC. 10. Copies of Decision.**—Within 15 days after receipt of an appeal, the county committee shall mail to the appellant and to the State committee a copy of its decision upon said appeal. Written notice of the decision shall also be issued to each person known to the county committee who, as landlord, tenant, or sharecropper having an interest in the operation of the farm or ranch involved, may be adversely affected by the decision. Where an appeal is made to the State committee from such decision, the county committee, upon the request of the State committee, shall forward to the State committee the complete record in the case and shall render such assistance in connection with the further proceedings in the case as the State committee may request.

### STATE COMMITTEE PROCEDURE

**SEC. 11. Designation and Duties of Appeals Clerk.**—The State committee shall designate a competent person in the State office to act as appeals clerk to assist in the handling of appeal cases. The duties of such person shall be:

(a) To receive appeal cases and keep a complete record of the same.

(b) To fix a time and place for the consideration of each appeal and, if the appellant has requested the right to appear, to give such appellant and the applicable county committee at least 5 days written notice of such time and place.

(c) To request the applicable county committee to furnish the record in each case and such other assistance in connection with the proceedings in the case as may be necessary.

(d) In any case of the kind described in the exception contained in clause (a) of section 6 hereof, to arrange for an immediate hearing of the case if the State committee is in session and the appellant is present and is satisfied to submit his case for decision by the State committee without submitting additional evidence; to fix a date for the hearing of the case if the appellant is not present at the time and does not desire to submit additional evidence; to fix a date for the hearing of the case if (i) the appellant states, verbally if present and in writing if absent, that he is not prepared to present his case for decision by the State committee although he does not then intend to submit additional evidence, or (ii) the appellant states verbally, if



present and in writing if absent, that he intends to submit additional evidence, which date in either case shall not be earlier than the date indicated by the appellant as that on which he will be ready to submit his case; and to see to it that a verbatim report of the hearing is kept.

(e) To prepare a written report on each case and present the case in detail to the State committee at the time and place fixed for the hearing of the case.

(f) To mail a copy of the decision of the State committee to the appellant and to the applicable county committee within 30 days after the receipt of the appeal by the State committee, meaning thereby the receipt of the final submission of the case on such appeal. Written notice of the decision shall also be issued to each person known to the State committee who, as landlord, tenant, or sharecropper having an interest in the operation of the farm or ranch involved, may be adversely affected by the decision.

(g) Where a request for review is made to the Director of the Southern Division from the decision of the State committee, to forward to the Director the original of the complete appeal record (including a verbatim transcript of the oral testimony, if any); and upon receipt of a decision, in triplicate, from the Director of the Southern Division, to mail one copy to the appellant and one copy to the applicable county committee and to file one copy with the record of the case in the State office.

#### PROCEDURE BY DIRECTOR OF THE SOUTHERN DIVISION

**SEC. 12. Regional Appeals Committee.**—Upon receipt of a request for review of a decision by a State committee, the Director of the Southern Division will refer the case to a Regional Appeals Committee (composed of three employees of the Division appointed by him from time to time or for the particular case), which shall:

(a) Review the entire record in the case, make such investigations as it deems necessary, and give a full and fair hearing to the appellant or his representative if request therefor is made at the time the request for review is filed.

(b) Prepare a written report (including a verbatim report of its hearing if one is held) and recommendation and submit the same to the Director of the Southern Division together with the complete record in the case.

**SEC. 13. Decision of Director of the Southern Division.**—Upon receipt of the report and recommendation of the Regional Appeals Committee, the Director of the Southern Division will review the entire record in the case and make his decision thereon. He will cause such decision to be prepared in quadruplicate and will mail three copies thereof to the applicable State committee, and retain the fourth copy in the files of the Southern Division.

I. W. DUGGAN,  
*Director, Southern Division.*